

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1009 - HB 993

February 23, 2013

SUMMARY OF BILL: Authorizes for profit work centers for the blind and for profit agencies serving individuals with severe disabilities to qualify to participate in the state and local government procurement program established to encourage and assist individuals who are blind or have other severe disabilities to achieve maximum personal independence if the work center or agency complies with the applicable occupational health and safety standards prescribed by the Secretary of Labor of the United States and, in the production of commodities and the provision of services sold through the program, employs individuals who are blind or severely disabled for 50 percent, or in accordance with the percentage of direct labor required under the terms and conditions of the Javits-Wagoner-ODay Act, P.L. 92-28, compiled in 41 U.S.C. 46 et seq., or whichever is lesser, of the man-hours of direct labor required for the production or provision of such commodities or services. The central nonprofit agency administering the program is required to ensure that individuals with disabilities are paid at least minimum wage with appropriate benefits based upon their needs and that they are integrated on the job.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently Tenn. Code Ann. §§ 71-4-701 – 71-4-705, authorizes participation in the procurement program by nonprofit work centers and agencies that are organized under the laws of the state, operated in the interest of individuals who are blind or with severe disabilities, and employ such individuals for a minimum of 75 percent, or in accordance with federal law, or whichever is lesser, of the man-hours of direct labor required for the production or provision of commodities or services.
- If enacted, the bill will potentially increase the number of work centers and agencies qualified to participate in the program because the requirements are less restrictive. The work centers and agencies will still be required to employ individuals who are blind or with severe disabilities in the production of commodities or the provision of services purchased by the state and local governments.
- Community Rehabilitation Agencies of Tennessee (CMRA) is the nonprofit organization designated to administer Tennessee's State Use Program. Tenn. Code Ann. § 71-4-703 requires an advisory committee to recommend fair market price for commodities and services submitted to the procurement commission for certification and to provide

SB 1009 - HB 993

oversight to the nonprofit designated to administer the program. According to CMRA's website the state Certification Committee, representing the Department of Finance and Administration, the Department of General Services, the Office of the Comptroller, and TRICOR, evaluates every product and service CMRA presents for the State Use certification.

- According to the Department of General Services, the fiscal impact of the bill on the Department will be not significant. CMRA's sales to the Department totaled \$10,766,800 in FY11-12. The Department currently contracts with CMRA for numerous janitorial services, grounds maintenance, and statewide rest area maintenance. CMRA's sales to the Department will not significantly change due to the provisions of the bill.
- The Department of Human Services, Division of Rehabilitation Services, administers several programs for persons with disabilities. The bill will not significantly change the current operational or regulatory responsibilities of the Department and any fiscal impact is estimated to be not significant.
- According to the Department of Mental Health and Substance Abuse Services and the Department of Intellectual and Developmental Disabilities, the fiscal impact of the bill on the departments will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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